

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Madison



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Security Program Is Presented to Nation

President Outlines Plans for Unemployment Insurance and Old-Age Pensions

CONGRESS DEBATES PROPOSALS

Far-Reaching Significance for American People Seen in Measures

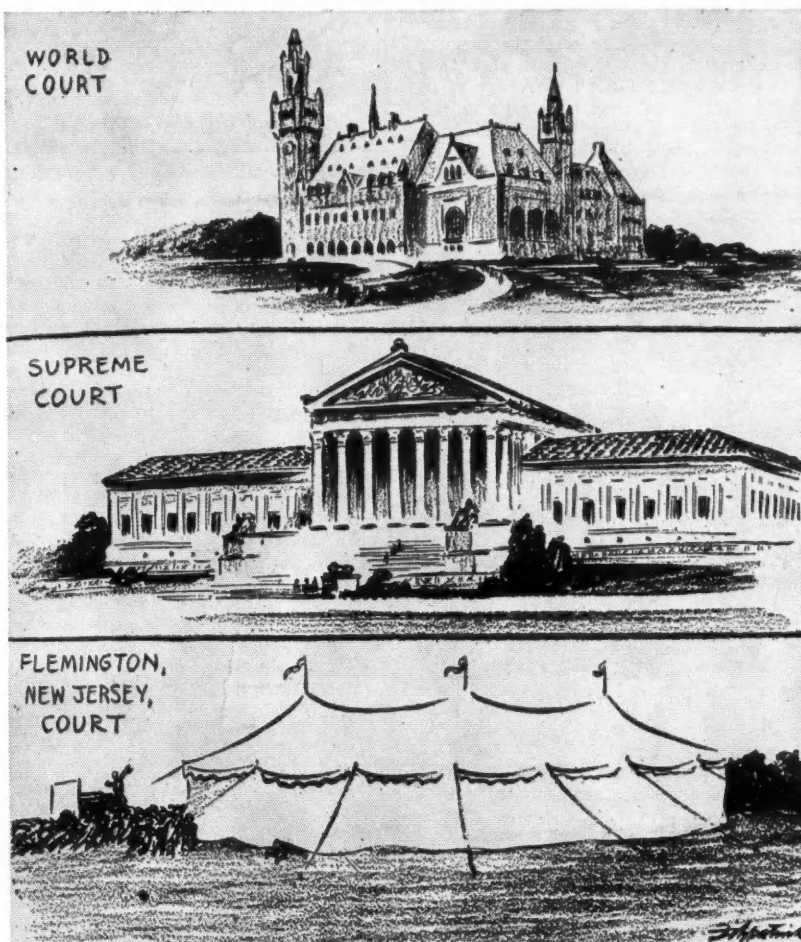
One of the most important pieces of legislation ever considered by an American Congress is now being debated by both the Senate and the House of Representatives. It is President Roosevelt's program of economic security, which the president recommended very strongly last week in a special message to the two houses. The president's plan is sweeping and far-reaching. It will affect vitally every man, woman, and child in the country, for it is designed to remove many of the hazards to which we are all constantly exposed. The program calls for the setting up of a system of unemployment insurance which will remove that eternal fear of losing one's job without having the means of living until another position can be found. It would remove the specter of hunger and suffering in old age, or the thought of the proverbial "poorhouse," by providing for old-age pensions. It would make dependent mothers and children more secure by giving them benefits from the government. It would further protect the health of the American people by granting more funds for this purpose. This program of social legislation is one of the most significant features of the whole New Deal, for it undertakes to cope with some of our gravest ills and problems.

Wagner-Lewis Bill

Scarcely had the president's message recommending this legislation been read in the two houses of Congress than bills were introduced providing for the carrying out of the program. Both the House and the Senate sidetracked other business in order to rush this bill through. The two committees to which the measure was referred, the Senate Finance Committee and the House Ways and Means Committee, tabled other important bills in order to study and push through this bill, which was sponsored by Senator Robert F. Wagner of New York and Representative David J. Lewis of Maryland. All those supporting this program feel that no time is to be lost. If Congress hesitates too long the whole plan will be retarded, for it cannot be put into effect nationally without action on the part of the state legislatures, 44 of which are in session this winter. Mr. Roosevelt reminded Congress of this fact in recommending the legislation.

Since we have already given the general background of the social insurance program (see THE AMERICAN OBSERVER, November 26, 1934), we shall confine ourselves in this article to a discussion of the concrete proposals which are now being debated in Congress. First, let us take up the unemployment insurance scheme, the main object of which is to provide money to workers when they are thrown out of work so that they will not be exposed to hunger and suffering.

According to the terms of the Wagner-Lewis Bill
(Concluded on page 6)



THE COURTS HAVE THEIR DAY
—Fitzpatrick in St. Louis POST-DISPATCH

Can You Rise Above This?

The cartoon which we reproduce on this page points forcefully to a grave weakness of the American people. Too often they do as they are doing at this time. They give more attention to trivialities than to the larger events and movements which affect them deeply. As a matter of fact, the cartoonist understates the case. The attention of the public is by no means equally divided among the three courts which are mentioned—the World Court, with which it is proposed that our country be associated, the Supreme Court, which is about to render a decision affecting the American people to the amount of \$69,000,000,000, and a village court in New Jersey which is trying an obscure carpenter for murder. The last named of the three is receiving many times as much attention as both the others combined.

How are we to account for the very general lack of concern about problems and events which affect the people so vitally, compared with the excited interest in an event which affects them so little? For an explanation we must go to the facts of human nature and human history. It is only comparatively recently that men and women have come to have anything to do with government or politics. They have been concerned wholly with personal affairs, with the trivial activities of themselves and their neighbors, with the triumphs and tragedies of individuals. Most people have not acquired very deep interests of any other kind. All of us are absorbed much of the time in these little affairs and there are many who never rise above them. That is why interest in the affairs of individuals who have done striking or spectacular things is always so widespread. An understanding of the cooperative efforts of masses of men and women to improve their lot, associated and organized efforts which are called "government" or "politics," is almost beyond the powers of large numbers of people. They can give fleeting attention to public matters now and then, but the effort tires them and they soon fall back upon the more primitive and hence more satisfying practice of finding interest in the doings of individuals—especially when these doings are attended by heavy tragedy.

Perhaps, under the circumstances, we should be sparing in our condemnation of those who follow the Hauptmann trial closely to the exclusion of more important affairs. Many of us lay claim to some intellectual interests like a detective story now and then, and such is the story now unfolding in the little New Jersey courthouse. But if we are sufficiently advanced intellectually to do so, we should try to lift ourselves most of the time to higher planes. And we should give great credit to the few newspapers, such as the *Christian Science Monitor*, which present each day's items of news with some regard to relative importance.

Japanese Policy to Dominate East Asia

Step to Strengthen Grip on Continent Seen in Recent Movement of Troops

DOMESTIC CONFLICTS ANALYZED

Militarist Group and Politicians Disagree over Progress Toward Aim

It is reported that Japanese troops are on the march again in China—marching deeper into the wilds beyond western Manchuria in an expedition to add another slice of Chinese territory to Manchoukuo. Accounts of what is actually happening in that remote section of China are vague because the Japanese enforce such a rigid censorship of news from Manchoukuo that only information to their liking is allowed to filter through to the outside world. It appears, however, that Japan is laying claim to more land in China. In 1931 she began her conquest of Manchuria and two years later established it as the supposedly independent state of Manchoukuo. Since then she has been busily strengthening her position in her new domain by building railways, setting up military bases and organizing a dummy government to do her bidding. And now she seems ready for further ambitions.

Japanese Motives

Of course, the present movement of troops may turn out to be nothing more than a small maneuver to reinforce herself in China. But again it may be the beginning of a major military undertaking which will have serious effects upon the Far East. The Japanese do not announce their plans in advance and it is difficult to guess the precise importance of her latest steps. It is well known, however, that the forces now in control of the Japanese government are pushing a far-reaching program to dominate northern China and, some say, the whole of eastern Asia. The men who have the greatest influence in Japan are said to have ambitions, dreams, which, if fulfilled, would give their country an empire so mighty that it would lift the Japanese people to a position of lasting prestige and power.

It is in the light of these aims, this dream, that we must consider Japan's military actions in the Far East. It is impossible to understand events in the Orient without a knowledge of what Japan stands for, who her leaders are, and something about the general character of her government and her people.

Let us begin at the beginning. Let us go back to the hazy traditions of forgotten centuries, for it is there that we shall learn what is perhaps the most important fact about the Japanese people. Many, many years ago, it seems, "Izanagi, the Great Male Essence, stood upon the floating bridge of heaven gazing at the universal chaos. In his hand he bore a huge spear. This he plunged into the waters and, raising it on high, watched the drops fall from the spear to form the Eight Great Islands of Japan. Then, descending with his consort Izanami, he came down to earth to found an everlasting Empire."

The story goes on that the first human ruler of Japan, Jimmu Tenno (660 B. C.)
(Concluded on page 7)



VERY worthy and promising student should be permitted to continue his studies regardless of his financial status, thinks Dr. James Bryant Conant, president of Harvard University. For this reason Dr. Conant has worked out a plan for redistributing the funds provided for Harvard scholarships. Instead of allowing the same stipulated amount for every deserving student, Dr. Conant believes that a college fellowship should be awarded first and then adjusted in each case according to the need of the student, the amounts varying from \$200, in the case of a student fairly well to do, to \$1,000 for a student in financial need. While more funds are required before Harvard can go very far in this direction, a beginning has already been made in the graduate school of arts and sciences. In choosing candidates for Harvard fellowships, Dr. Conant pointed out, high scholastic grades are not the only consideration. Originality, initiative and enthusiasm are just as highly rated, and an earnest point of view and high character are demanded as essentials.



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J. B. CONANT

Food and Drug Act

Back in 1906 Congress passed an act designed to protect consumers against impure food and drug products. Ever since its passage it has grown increasingly clear that the 1906 law, known as the Food and Drug Act, is entirely inadequate to serve this end. When Henry Wallace became secretary of agriculture he made inquiries into the workings of the act. After careful study he decided it would be more effective to substitute an entirely new law than to attempt improvement merely by amendments. A bill was drawn up and Senator Copeland agreed to introduce it into the Senate. So many amendments were added to it under Copeland's sponsorship, however, that much of its original strength was lost. Nevertheless, the bill was still considered too drastic and was defeated.

Now Senator Copeland is sponsoring a measure with further modifications, which the Senate is expected to consider in the near future. Among the provisions of the last-session bill which have been greatly modified is a clause which prohibits manufacturers from advertising their products as cures for certain diseases. For the most part, these are diseases which competent medical authorities regard as incurable. The new bill lists only a few such diseases, and many hold that the way is still left open for the fraudulent promises of quack remedies. Senator Copeland is eager to put through the greatly modified bill. Last summer he endorsed over the radio the products of a large company which would be favorably affected by his modifications. For this reason his impartiality in the matter has been questioned, and many believe his new bill will not greatly improve matters. On the other hand, there are those who argue that only a mild bill has a chance to pass and that the Copeland measure is better than nothing.

Won't Fight

One by one, the heroes of the World War are coming to the belief that only an invasion of the United States can justify our going to war. A few months ago General Smedley D. Butler denounced war and declared that wars are fought for private profit.

He asserted that he would fight again only if an enemy force actually invaded the United States. Now his sentiments are echoed by Sergeant Alvin C. York, who holds the highest honors for individual heroism in the World War. Sergeant York declares that he will gladly defend his country—provided he is not sent overseas to do it. "I'd want to meet the enemy," he explains, "right at our coast when they got off the boat. I don't think any of us would want to go 'over there' any more." Since the chances of our being invaded are extremely remote, the spreading of this idea should go far toward keeping the United States out of another international catastrophe.

America Loses Her Fuel

A report which deserves the most serious consideration was recently made to the Natural Resources Board, the government agency which is making the first nationwide survey of the natural wealth of the United States. The report was based on a thorough study of the country's mineral resources.

Here are some of the essential facts uncovered by the investigators: If as much oil is produced every year as was taken from the soil in 1933, the nation's proved oil reserves (those which are known to exist) will last only 15 years. A shortage at the end of this period can be prevented only by the discovery of new fields. As for coal, many high-grade seams are rapidly becoming depleted. There is no danger of exhaustion of this mineral for some time to come, but as the coal beds become thinner, the more costly it is to unearth this useful "black rock."

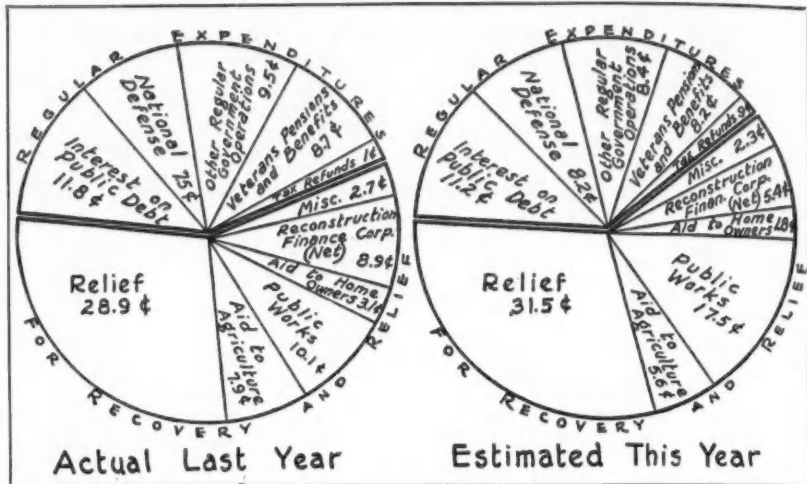
The report urges the states to use their police powers to stop waste. It also urges the continued control of production in the coal and oil industries. Public planning is essential, the report says, if our mineral wealth is not to be wasted away.

Oklahoma's New Deal

Oklahoma's new governor, E. W. Marland, plans to give his state a new deal of its own. In his inaugural address last week the incoming executive promised Oklahomans a program similar to that which is being carried on by President Roosevelt on a national scale. Governor Marland hopes to put Oklahoma's jobless to work on public works projects of various sorts. He also plans a drive to place unemployed city workers and their families on small plots of land in rural communities, where they can supply a good portion of their own food needs. He realizes that additional taxes will have to be imposed for the financing of his program, but he believes that the whole state will benefit by the steps he proposes.

Municipal Music

The political cares and worries that go with governing the country's largest city are not enough to keep Mayor La Guardia from thinking of New York's cultural needs. At a meeting of the newly organized Municipal Art Committee he laid before the surprised members a comprehensive



—From CHRISTIAN SCIENCE MONITOR
SPLITTING UP THE BUDGET DOLLAR

How the government's money was spent last year and the estimated expenditures for this year.

sive plan for musical education. The mayor's program calls for a high school of music, a musical art center, and a municipal symphony orchestra which would afford the city good music at low-priced concerts. Mayor La Guardia declared that he could count on federal aid for the project because Relief Administrator Hopkins is particularly eager to find work for skilled musicians. The high school of music is perhaps the most novel aspect of the plan. The mayor believes that the rudiments of music should be taught in the grade schools, but that all instruction in higher musical education should be concentrated in one high school. The regular high school curriculum would be taught, of course, but music would be a major subject and complete provision would be made for all the various types of musical education.

Labor in Hollywood

We hear so much of the fabulous salaries of some of the movie stars that it is a surprise to learn of prominent Hollywood actors protesting against low wages and bad labor conditions. Recently a committee, headed by Robert Montgomery, investigated wage rates and hours, and reported that the treatment accorded to the majority of actors by movie producers in Hollywood is appalling. It is true that a few of the very popular actors are paid well, but most of the movie folk are just "extras." Four-fifths of them struggle along on starvation wages. The chief complaints of the Montgomery committee are that the producers themselves take a disproportionate share of the profits, that they repeatedly trick and deceive actors, and that they impose intolerable conditions of labor.



ROBERT MONTGOMERY

Want to Go to Europe?

Every year the League of Nations Association makes up an examination for high school students. And each year one deserving student wins a trip to Europe, with a chance to watch the League in operation at Geneva. There are other prizes, too—cash awards for high grades in this interesting and informative competition. The League of Nations Association announces that its Ninth Annual Contest will be held on March 29 in local schools. This year's examination will be based on the new 1934 edition of the contest textbook, "A Brief History of the League of Nations." In response to many requests, the association is sending a copy of this text to every registered school, together with "Suggestions for Further Reading." If you are interested in taking an examination that may result in your sailing across the Atlantic, you may obtain more detailed information by writing to the League of

Nations Association, 8 West 40th Street, New York, N. Y.

Uniting the Air Service

For many months the Federal Aviation Commission has been engaged in an exhaustive study of aviation problems. Last week the commission concluded its work and submitted its report to President Roosevelt. There are two recommendations of major importance contained in the report. First, the commission would like to see the size of the army's air fleet increased to 4,000 planes, or double the number it now has. Secondly, it recommends that all branches of the government which have any connection with aviation be united under one head. This would include, for example, the post office's air mail service, the aviation activities of the United States Weather Bureau, and other government divisions making use of aircraft. It is believed that the president is opposed to doubling the size of the air fleet, and it will be interesting to see just how many of the commission's suggestions he will sponsor when he makes his recommendations to Congress in this field.

"A Word to the Wise - -"

If the automobile industry does not soon take action to correct many of the ills which now afflict it, the government will have to step in and exert a greater control than it has in the past. This was the substance of a speech delivered last week by Donald R. Richberg, New Deal coordinator, to an assembly of automobile dealers in Detroit, Michigan. What Mr. Richberg wants the automobile industry to do is to find a way by which regular employment the year round can be given to a majority of the workers. At present, regular employment at fairly good wages is afforded only six months of the year, during the rush season, and the workers are obliged to remain idle the rest of the time.

"To employ 200,000 men at comparatively good wages for six months, especially under the strain of continuous high-speed operations," Mr. Richberg points out, "is obviously a less efficient use of human labor than to give a smaller number of men continuous employment at lower wages under better conditions." It is the duty of private manufacturers, Mr. Richberg warned, to find a satisfactory solution to the problem; otherwise the government will be compelled to step in.

Business Gets a Look-In

A link between business and government was established last week when the Business Planning and Advisory Council was selected to act as an intermediary between industrial interests and the administration. The council, which is composed of 52 of the most prominent leaders in American business, has been picked by President Roosevelt to represent industry when legislation affecting business is being prepared. Its members will sit in at the drafting of administration bills and will advise the cabinet members concerning such legislation. If the cabinet heads see fit, they will pass the council members' suggestions along to Donald Richberg, the president's coordinator. All recommendations which the administration makes to Congress must pass through Richberg's hands. This plan is described by one member of the council as a method "whereby business men can give their views on legislation direct at its source rather than on the Hill," meaning the Capitol.



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OKLAHOMA'S NEW GOVERNOR
E. W. Marland, successor to "Alfalfa Bill" Murray, takes the oath of office.

AROUND THE WORLD

Wales: Lloyd George, war-time premier of Great Britain, celebrated his 72nd birthday recently by starting a campaign to become Britain's Roosevelt. On January 17, he delivered a speech at Bangor, Wales, outlining the "New Deal" that he proposed for Great Britain. Two days later he spoke in Welsh before a wildly cheering throng in a seacoast town. The outstanding points of Mr. Lloyd George's program are as follows:

1. A close agreement with the United States to insure the peace of the world.
2. Reorganization of the Bank of England so that it will be more helpful to British industry.
3. Inclusion in the cabinet of five new ministers, whose duties will be primarily advisory.
4. Creation of a council to plan a program of public works.
5. The floating of a "prosperity loan" to aid the government's recovery program.

Lloyd George does not intend to form a new party. He says that he will accept the support of any statesman who agrees with these policies. It is believed that he plans to win the adherence of a small group of influential members of parliament. He feels that in the next general election no party will secure a majority in parliament. His group of New Dealers will therefore hold the balance of power in their own hands and will be in a position to offer their support to the party that is most willing to forward their program.

Germany: The Nazis consider the result of the Saar plebiscite to be a great triumph for the doctrine of German national unity. This doctrine has become a veritable religion among large numbers of the German people. University students are expected to devote their first two semesters to the racial and political history of the German nation. Among other things the doctrine of German national unity includes the belief that all minority groups of Germans living outside the boundaries of Germany should be brought into the fatherland. This idea was recently expressed by Dr. Wilhelm Frick, minister of the interior, who said:

In these plebiscite days our national duty is to remember that beyond the frontiers there still are many millions of Germans, just as loyal Germans as the Saarlanders, but who, despite an alleged victory of the right of self-determination at the end of the war, without being asked have been isolated or placed under foreign rule.

It is largely this belief that aroused Germany to such intense excitement over the return of the Saar. Now German newspapers are organizing a movement for the return of other areas that were once a part of Germany. They feel that the districts of Eupen and Malmedy, which were taken from Germany and handed over to Belgium in 1919, ought to be returned. Nazi agitators in these districts have been staging parades and demonstrations and the Belgian police have made a number of arrests.

China: In the last week or two there have been new rumors and reports of fighting to the north of the Great Wall. There is no means of knowing just how far these reports may be true, but the indications are that a number of Japanese troops have been sent into the Mongolian province of Chahar, which lies along the western border of Japan's obedient vassal state, Manchoukuo. The excuse given by the Japanese is that the Chinese have broken last year's agreement not to fortify a strip of demilitarized territory lying between Chahar and Manchoukuo. Some

experts suspect, however, that Japan aims to control a caravan route which connects China with Soviet Russia.

Central Europe: An extremely interesting diplomatic problem is coming to a head in Central Europe. The question is so complex that it is difficult to generalize. Nevertheless, the outcome depends upon a choice that Germany will have to make in the near future.



THEY HOLD THE REINS IN EUROPE

Premier Mussolini of Italy and Foreign Minister Pierre Laval of France as they conferred in Rome recently.

Germany, as we have seen, is desirous of creating a strong and unified nation. The success of Hitler and the Nazi movement is due largely to an appeal to German pride and patriotism. Ever since the World War, Germany has felt herself regarded as an outlaw among nations. She was injured by being deprived of colonies and stripped of her territory, and insulted by the armament limitation imposed upon her. She accused the allied nations of robbing her and of failing to live up to the ideals of peace, disarmament, and self-determination for which the war was supposed to have been fought.

Under the Nazis, Germany has recovered some of her self-respect. She has rearmend in spite of the Treaty of Versailles, and she is looking out for opportunities to regain the lands she has lost. To show her resentment of the treatment accorded her by other nations, she has resigned her membership to the League of Nations.

Other nations naturally took steps to punish Germany for her disobedience. Foreign newspapers everywhere attacked the imperialistic and anti-Jewish policies of the Nazis, and an economic boycott against German goods caused German trade to dwindle rapidly. Germany responded by developing her resources in an effort to become economically self-sufficient. France attempted to forge a steel ring of alliances around German borders so that it would be impossible for Germany to pick a quarrel with any one country without all the rest falling upon her.

But in recent months a new policy has found favor in France. Instead of isolating Germany, Foreign Minister Laval desires to force Germany to be friendly. In effect, he is saying to Germany: "Look

around you and you will see that the world is against you. The nations are on my side. Why try to be isolated? Why not come back to the League of Nations and be reasonable? If you do that, we promise to try to give you the equality you have so long wanted."

The most important move that Laval has made to bring about this situation is the recent agreement with Italy. As we pointed out in the last issue of THE AMERICAN OBSERVER, the purpose of this

peace to both warring nations. If both should accept, neither would be held responsible. On the other hand, if one refused, it would be regarded as the aggressor and the League would support the cause of the state it had attacked.

Until recently, the League has not had occasion to define an aggressor by this means. But now it has taken sides in the war between Bolivia and Paraguay. The Chaco area, which has long been the subject of dispute between these two countries, is now almost entirely in the hands of Paraguay's troops. If the Bolivians can be pushed a few miles farther over the wall of Andes mountains that separate Bolivia from the Chaco, Paraguay will have scored a decisive victory. For that reason, when the League submitted a peace plan to end the Chaco war (see THE AMERICAN OBSERVER, December 3, 1934), Bolivia accepted but Paraguay refused. The time limit is at an end, and the League has declared Paraguay to be the aggressor.

In order to punish Paraguay, the League has withdrawn the arms embargo against Bolivia. Henceforth, Bolivia will be free to import as much ammunition as it desires, but no active member of the League will permit shipments of arms into Paraguay. The move may not be successful since Paraguay is still able to buy equipment from Germany and Japan. Nevertheless, she does not like the idea of being regarded as guilty of aggression. She protests that she does not refuse the League's peace plan, but simply asks that it be changed.

The League has given Paraguay a month in which to reconsider. If she continues to fight, sterner measures will be adopted.

Something to Think About

1. If the unemployment insurance proposal contained in the Wagner-Lewis bill is adopted, how much will the employers of your community have to contribute once the plan is in full operation?
2. Do you think the unemployment insurance program would be adequate in times of depression? Why?
3. In your opinion, will the third feature of the old-age insurance program—that is, the voluntary annuity plan, help or hurt private insurance companies?
4. Under what circumstances will the social security program result in a redistribution of the nation's wealth and under what circumstances may it effect no such redistribution?
5. What important part does mythology play in the temper of the Japanese people?
6. Why were the Japanese able to modernize their nation so quickly?
7. Why does the Japanese diet have so little real power?
8. What conditions have made it possible for the militarists to have their way in recent years?
9. Do you think it would be to the best interests of Germany to return to the League of Nations, taking into consideration the concessions she would have to make?
10. Why is it so difficult to pass an effective Food and Drug Act through Congress?

REFERENCES: (a) Security for Americans. A series of seven articles by leading authorities on the various aspects of social insurance, starting in the November 21, 1934, issue of *The New Republic*. (b) Social Security, Fiction or Fact? *The American Mercury*, October, 1934, pp. 129-138. (c) Lesson in National Self-Respect. *Forum*, July, 1934, pp. 24-26. (d) Japan Bids for Power. *Review of Reviews*, January, 1935, pp. 27-31. (e) The Pan-Asiatic Doctrine of Japan. *Foreign Affairs*, October, 1934, pp. 59-67. (f) The Realistic Foreign Policy of Japan. *Foreign Affairs*, January, 1935, pp. 262-270.

PRONUNCIATIONS: Izanagi (ee-zah-nah'gee—g as in go), Jimmu Tenno (jim'moo ten'no—o as in go), Izanami (ee-zah-nah'-mee) Shogun (sho'goon), Meiji (may'jee), Saionji (si-on'jee—i as in ice), Genro (gen'ro—g as in go), Chahar (chah-har).

Chaco: The chief reasons for the creation of the League of Nations were to prevent the recurrence of war and to settle disputes peacefully in case they should arise. But suppose two nations should make war against one another, how would the League determine which of the two was to blame? What should be the definition of aggression? This was a problem that engaged Europe's diplomats in many a debate. Finally, it was generally agreed that the best way of defining an aggressor would be to apply a simple test: the Council of the League would offer a plan of



Efficiency and Happiness

A recent editorial in *THE AMERICAN OBSERVER* pointed to the importance of learning how to live. The fact was stressed that intelligence and intellectual training are not the only essential requirements. If one is to live successfully and happily, the attention must be focused upon character and manners. But despite the importance of our finding the best ways of life, we get too little help in that direction from the schools. We get too little from any quarter. There are books, however, which deal with the problem, books whose purpose it is to serve as guides in the development of character and personality.

A French writer, Abbé Ernest Dimnet, has made important contributions to this field of literature. We recommend very highly two of his books, "The Art of Thinking" and "What We Live By." Abbé Dimnet is learned, wise, gracious, and kindly, and he speaks as simply as one possibly could about such confusing problems as the nature of man, of the universe, and of God, of beauty and conditions under which it may best be appreciated, of the good, or of beauty in life.

"We are all conscious of living our moral life, as it were, in a two-storied house," says Abbé Dimnet in his preface. "Downstairs goes on what has too evident a claim to the painful label: ordinary. Upstairs we have a different outlook and associate with better company. . . . We know perfectly well when and how we can be upstairs and when and how we can linger downstairs." There follows a chart of downstairs activities, or states of mind, such as narrow ideas, petty sentiments, small grievances, small triumphs, self-praise, gossip, flirtations, vanity, time



ABBE ERNEST DIMNET

killing, pretense, and posing, and of such upstairs conditions as indifference to trifles, reading with a purpose, good music, best plays, best books, devotion to an idea, kindness, forgiveness, and patience.

There is no question but that the reading of this book would help any one to spend more of his time "upstairs." It is one of the finest imaginable introductions to the study of philosophy, and the reading of it offers one of the best possible exercises for one who, whether or not he cares for philosophy as such, wishes to live calmly, beautifully, happily.

Stanwood Cobb, well-known progressive teacher, editor, and author, has written a very excellent guide for those who are interested in personality and character building. It is called "Discovering the Genius Within You." Mr. Cobb does not write of technical psychological processes, but in plain everyday language which every high school student can understand and appreciate, he describes many of the characteristics which make for success and those which are retarding in their influence, and he gives practical suggestions as to how one may discover his best powers and as to how he may bring them out and put them into effect.

If a young person is interested more in economic than in personality problems and is anxious to see how he may fit himself into the occupational life, he will do well to secure Walter B. Pitkin's book, "New Careers for Youth," the subtitle of which is, "Today's Job Outlook for Men and Women from Seventeen to Thirty-two." Mr. Pitkin gives a great deal of sound and practical advice to young men and women about choosing their careers. He tells them how to go about it to make a choice, and he outlines some of the principles which should determine their selection. Then he indicates some of the most promising fields. He thinks that in the years to come there will be many opportunities in the engineering field, particularly in the field of chemical engineering. There will also be opportunities in civil, electrical, and mechanical engineering. The development of the air-conditioning industries will also furnish jobs to many. On the other hand, Mr. Pitkin urges young men and women to shun the fields of professional acting, music, journalism, architecture, and teaching. All of these offer opportunities for those who are particularly well equipped and who can stand at the top, but they should not be entered unless one feels certain that he has a particular aptitude for them.

Books on Mexico

Last week on this page we suggested that a good hobby for many students would be to read and learn all they could about some one country. Then when they felt they had become sufficiently well informed to speak with authority on their chosen country, they could switch to another one. Thus after awhile they could have a broad understanding of many foreign peoples. A reading program of this sort would fill many enjoyable hours and open up new worlds of interest to the reader. Last week we recommended books on France as a starting point. This time we shall suggest several volumes on Mexico:

"Mexico: A Study of Two Americas." By Stuart Chase. New York: Macmillan. \$3.00. A



MEXICAN VILLAGE

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comparison between life as it exists in a machine society (United States), and as it exists in a machineless country (Mexico). Even though these two countries border on each other, their ways of life are as different as they could possibly be. Mr. Chase does a splendid piece of work in drawing the comparison between the two countries.

"Bright Mexico." By Larry Barretto. New York: Farrar and Rinehart. \$2.00. This book, too, shows how different life is in Mexico from that lived in the United States, but it is more purely descriptive and less analytical than Stuart Chase's volume.

"Young Mexico." By Anne Merriam Peck. New York: McBride. \$2.50. A fine story of young people in Mexico and the kind of life they lead. Anyone who has read Anne Merriam Peck's books knows how fascinatingly she writes.

These three books provide the reader with a good portrayal of Mexican life and customs. They do not, however, go much into the political and religious controversies that are worrying Mexico today. We suggest that students look in the *Readers' Guide to Periodical Literature* for the latest magazine articles on the current situation in Mexico.

With the Magazines

It is the opinion of George Soule, well-known editor and writer on economic subjects, that the Republican party will, in reality, "go the way of the Whigs" and pass out of existence. Writing in the February *Harper's*, Mr. Soule explains why he believes that there will be more and more desertions both from among the farmers and workers and from the business and financial supporters of the party. Like its predecessor, the Whig party, it will find itself confronted with a situation something like this: The business interests, seeing which way the political winds are blowing, will lend their support and allegiance to the Democrats, however distasteful certain New Deal policies may be to them, just as the southern aristocratic plantation owners of pre-Civil War days entered the party of Andrew Jackson in spite of their loathing of its membership and policies. It was the only way they could possibly hope to save their skins a century ago, and, in the opinion of Mr. Soule, it will be the way they will try to protect themselves today.

Since the Hawaiian Islands are a part of the United States and are like a state in most respects, why have they not been given statehood? This is the question asked by David L. Crawford in the January issue of *Review of Reviews*. For many years the

Hawaiian Islands have enjoyed a peaceful civilization. Until 40 years ago they were ruled and owned by a king and queen, then they became a republic and in 1900 they voluntarily joined the United States. Today Honolulu is considered a port on the Pacific coast, even though 2,000 miles of ocean separates it from California! Almost all the federal laws applicable to the states are enforced in Hawaii and are not in other American possessions. It is a rich land of sugar cane, pineapples, and coffee. The writer feels that as long as Hawaiians dislike having their country "belong to" the United States, instead of being considered a part of our country, there is every reason to make Hawaii our 49th state.

We Recommend—

What Is American Literature? By Carl Van Doren. New York: Morrow and Company. \$1.00.

A short volume of American literature by one of our foremost literary authorities. Mr. Van Doren gives his opinion as to what writers and what books make up the essence of America's literary achievement. Whether one has read widely, or very little, on this subject, the author's critical comments are helpful in sizing up the literary efforts of America, even though one may not agree entirely with everything Mr. Van Doren says.

A House Divided. By Pearl S. Buck. New York: John Day Company. \$2.50.

This is the last of three volumes on China by Miss Buck. The trilogy opened with "The Good Earth," continued with "Sons," and ends with "A House Divided." These three novels give a penetrating insight into Chinese life as it is today. They show how the Chinese people are still bound by century-old tradition, but how western ideas are slowly overtaking some of the people. The scene of "A House Divided" is laid partly in China and partly in the United States. Young Yuan, the central figure of the story, comes to America to attend college. His experiences here and his return to China hold the reader's attention to the last.

THE AMERICAN OBSERVER

A Weekly Review of Social Thought and Action

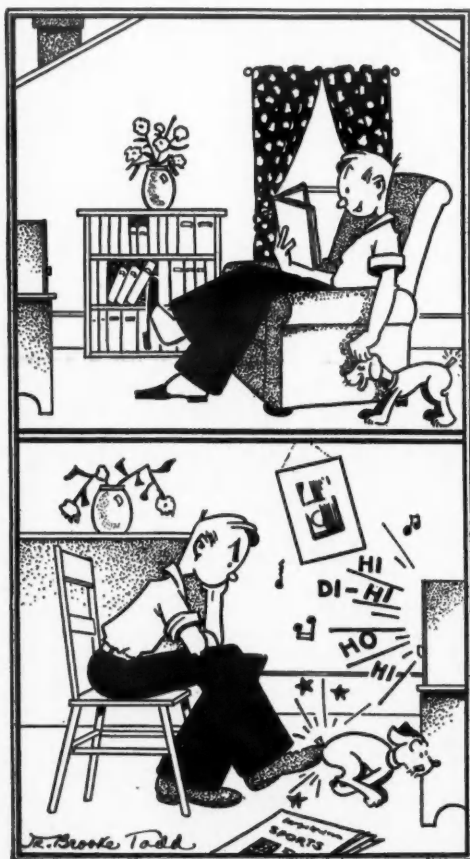
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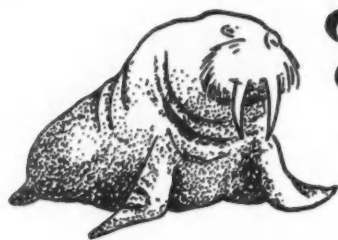
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WE LIVE PART OF OUR MORAL LIVES ON AN UPSTAIRS LEVEL, PART ON A LOWER LEVEL



The Walrus

"The time has come, the walrus said, to talk of many things: of shoes—and ships—and sealing wax—of cabbages—and kings."

American Humor — The celebration last month of Mark Twain's hundredth birthday called the attention of all of us to that great American humorist and to the contributions he made to our enjoyment of life. I have been thinking since then about Mark Twain's humor in comparison with that which passes for humor on the radio, the screen, the vaudeville stage, and the so-called "funny papers." Mark Twain was a thoughtful, serious-minded, philosophical man. He knew a great deal of life and he was given to calm reflections concerning the experiences of men and women. He knew the meaning of tragedy and felt it in his own family—and felt it deeply. But, at the same time, he saw the humorous, the whimsical, aspect of things. He learned how to look reality in the face and yet smile. The trouble with so many of our current would-be humorists is that they rely too heavily upon mere cleverness. They resort to "wisecracks" and let that pass for humor. Their witticisms will not live for a day, whereas the amusing life experiences related by Mark Twain live on in our mem-



—From CHRISTIAN SCIENCE MONITOR
"HUCK" AND "TOM"
Drawing of the memorial erected at Hannibal, Missouri.

ory through the years. I doubt if one can give anything enduringly funny without doing more serious thinking than most of our comedians appear to be capable of doing. Ring Lardner, at his best, was capable of a reflective humor worthy of Mark Twain or Abraham Lincoln. On rare occasions Will Rogers shows flashes of it, but this enduring brand of humor is so very rare that we do well to hold celebrations in honor of our few great humorists.

✱ ✱

A Cultural Goal — As I listened the other day to a concert by the famous Boys' Choir of Vienna, I thought of what it would mean to America if an organization of that sort should be developed in every community of the nation. This could not be done in a short time. Even though we should give much time and support to public school music and to the encouragement of music appreciation and participation by all the people, it would be many years before we could expect many communities to furnish really exquisite performances, but that is a goal toward which we might strive. If we should give as much attention to cultural development as we give to the acquisition of material wealth, we could do wonders. If America is ever to realize its full promise we will have to give more thought and effort to

achievements in the various fields of culture.

The Vienna Boys' Choir was founded shortly before the discovery of America and has been maintained continuously since, with the exception of a brief period after the World War. The boys are from six to 15 years of age. They are chosen through contests, and from the lists of the qualified children from the poorest families are selected. They are given a rounded education in music, dramatics, and the usual school subjects.

✱ ✱

Congressional Resentment — Underneath the surface there is a great deal of resentment in Congress among Democrats as well as Republicans because of the way the Roosevelt administration is exercising its leadership. The executive branch of the government is, of course, stepping on the toes of the legislative branch. The president and his advisers map the course of all important legislation. The president has committees of economists working on the different problems which are to receive attention. These committees decide upon what courses are to be taken. They have bills prepared. Members of the Senate and the House of Representatives introduce the bills. They do not like to be rubber stamps. Many of them are so indignant that they would prefer to vote against the measures proposed by the administration. In most cases, however, they dare not do it because the president is popular. The people, generally speaking, have more confidence in him than in Congress. They want Congress to do his bidding and so members of the Senate and the House must fall into line, though they may be reluctant.

Once in a while the feeling that legislatures should still exercise full legislative power comes to the surface. I observed an interesting case of this kind a few days ago. It was at a luncheon attended by a number of persons, both in Congress and out, who wanted to discuss the social security program. Tom Eliot, grandson of former President Charles E. Eliot of Harvard, and assistant to Secretary of Labor Perkins, explained the measure which he had helped to frame and which was being introduced in Congress. This was the social security program which we describe elsewhere in THE AMERICAN OBSERVER this week. Mr. Eliot, who is a young man, spoke very clearly but without great tact or consideration for members of Congress who were present. He gave no indication that the cooperation of Congress was necessary in order to put the program into effect. He declared with great assurance that it would be enacted into law.

Senator Adams of Colorado, a Democrat, and in general a supporter of the adminis-

tration, smilingly replied, "Theoretically I suppose I have a vote. The young man has told us what Congress will do. Perhaps he is right, but some of us would like to feel we had a part in it. From what I hear, the program is still pretty much up in the air."

Of course, there is another side to all this. Friends of the administration outside of Congress feel that swift and decisive action, such as can be taken alone by an executive, is necessary in a time of emergency and crisis. They feel, therefore, that in times like this the president should take determined leadership even though he does step, now and then, on congressional toes. They feel that there is no danger to democratic government so long as the president must come periodically to the people for support—that is, at election time.

✱ ✱

Quiet Statesmanship — There are members of Congress who gain considerable fame without doing very much constructive work. They are masters of publicity. An opposite type is represented by David Lewis, member of the House of Representatives from Maryland. He has



© U. & U.
DAVID J. LEWIS

a long record in the House, his terms having been interrupted by a few years of service as a member of the United States Tariff Commission. He does not care for publicity. He prefers to sit quietly, smoking his pipe, reading, thinking, or talking. He is friendly and congenial, but never seeks the spotlight. Though he is less widely known than many other congressmen, he has an enviable record to his credit. More than any other man he is responsible for our parcel post system. He has long worked for unemployment relief and for social insurance measures. He has introduced into the House of Representatives the administration's social insurance bill. Since it was introduced into the Senate by Senator Wagner, it is known as the Wagner-Lewis bill.

✱ ✱

A Correction — Last week I said that the cabinet no longer sits about a table in their formal meetings but that they gather informally in easy chairs in front of the president's desk. I based this comment on my own observations rather than upon any announcement, and I was mistaken. After the White House staff had moved into its new quarters, I was interested in finding where the cabinet room was. Several times, following cabinet meetings, I saw members of the cabinet talking together in the room which I described last week, and I assumed they had just finished their meeting there. I now find that this room, though used for informal conferences, is not the scene of the formal cabinet meetings, which are held a little way down the hall. There the cabinet members still assemble around the traditional table. —The Walrus



THE VIENNA BOYS' CHOIR

THOUGHTS AND SMILES

The Republican side of the Senate in Washington, according to Senator Norris, now looks like a picked chicken. With the wishbone very prominent.

—New Haven JOURNAL-COURIER

A public utility in the South is to swap light and power for butter and eggs, but presumably will not accept eggs of high voltage.

—New York SUN

What is the matter with the poor is Poverty. What is the matter with the rich is Uselessness.

—George Bernard Shaw

At the eclipse of the sun in 1936, the zone of totality will cross Russia. By permission, we suppose, of the Soviet government.

—PUNCH

Public officials are finding it easier to write books than to balance them.

—Waterloo (Iowa) DAILY COURIER

A story-teller is the most agreeable or the most disagreeable character we can meet with.

—Dr. William King

Japan Ready to Finance Big Navy—Headline. This means, naturally, that she has the yen for it.

—Nashville TENNESSEAN

Now Harvard has dropped Latin as an A. B. requirement, and that ought to bring in some good football material.

—St. Louis POST-DISPATCH



"DARLING! I'VE MISLAID THE NEWS SECTION AGAIN"

—From LIFE

All right, world, take your choice. Come to peace or go to pieces.

—Washington Post

A vacant bungalow in Chattanooga, missed by its owner, turned up on a lot several blocks away. One of those low, rambling houses.

—San Francisco CHRONICLE

Learn right at the outset not to play with the spoon before you take the medicine.

—George H. Lorimer

Sales of saxophones reached the high peak of 33,000 in 1929. Has this ever been considered in relation to possible causes of the depression?

—Newburgh (N. Y.) NEWS

From the way automobiles are selling, people are looking at Old Man Depression from rear-vision mirrors.

—Atlanta CONSTITUTION

A man without mirth is like a wagon without springs.

—Henry Ward Beecher

Senator Vandenberg of Michigan has set out to divorce the Post Office Department from politics, and when he gets through with that little chore he might rewrite the law of gravitation and start a school to teach bullfrogs to hop backward.

—Macon TELEGRAPH

A girl said in court that she broke off her engagement because her fiancé was always combing his hair in public. That naturally led to a parting.

—HUMORIST

The quintuplets are seven months old and flourishing—but has any foresighted manager signed them up for vaudeville?

—San Antonio EVENING NEWS

A fool will not see the same tree as a wise man sees.

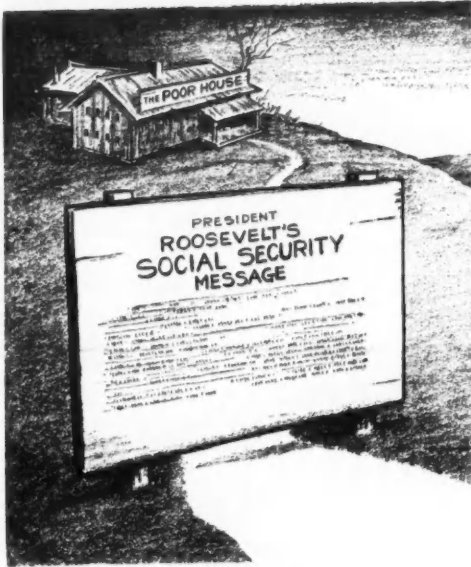
—William Blake

An economist says Uncle Sam must eventually take over the banks because they owe him so much. European papers please copy.

—Salt Lake City DESERET NEWS

President Roosevelt's Social Security Program

(Concluded from page 1)



CONDEMNED!
—Talburt in Washington News

Lewis bill—and there may be important changes before the measure is finally enacted into law—the plan will work out something like this: The federal government says, in effect, to the 48 states, "If we are going to inaugurate this system of unemployment insurance, it is necessary that we work together, for you, working alone, cannot do it effectively; nor can we, the federal government, do it without your help. We are therefore making you this proposition: We will levy a tax on all the employers of your state in order to raise the funds which will be distributed. We will invest this money, as private insurance companies do, in order to earn interest and protect it. You will not have to worry, therefore, about raising the money. But 90 percent of the money raised in your state will be credited to you so that you may draw upon it to make payments to the unemployed who are insured."

Payroll Tax

"Now, in order that we may have enough money to carry out our plans of insuring workers, we figure, after having conferred with many experts, that all the payrolls of the country will have to be taxed three percent a year. But we do not believe it would be a wise plan to impose such a heavy tax immediately because most businesses are having a hard time to make ends meet. So, starting the first of next January, a tax of one percent will be collected from all employers of four or more persons in your state. Thus, if a baker pays out \$5,000 a year in wages to his workers, we will collect \$50 from him to put in the general insurance fund. The next year, starting January 1, 1937, we will double the tax, raising it to two percent or \$100. The following year, we will collect a three-percent payroll tax from him, so that in 1938 and every year thereafter he will be obliged to pay \$150 into the unemployment insurance fund. Of course, if business conditions should improve rapidly so that business men could bear a heavier tax, we will not wait until 1938 before collecting the full three-percent tax. We will raise the tax to two percent as soon as production is 84 percent of what it was between 1923 and 1925, and to three percent when it reaches 95 percent of the 1923-1925 level. But, at any rate, on January 1, 1938, the full three-percent payroll tax will go into effect."

"You realize, of course, that the federal government cannot handle the whole thing. The greater part of the work must be done by you. For that reason, we are not going to say just what kind of law you shall adopt. Naturally, it must meet the needs adequately and must conform to some general standards. But you must work out the details yourself. We believe, however, that it would be well to consider the following plan which has been highly recommended by the committee which studied

the problem for us: When a worker loses his job, pay him nothing for the first four weeks of his unemployment. In most cases, he will have saved enough to carry him for that long. Besides, he may be able to find a new job in that time. If, however, he is still out of work at the end of the four weeks, start paying him insurance benefits. We suggest that the benefits be equal to about half of what he was earning when he lost his job, unless that should be more than \$15 a week. We think that \$15 a week should be the maximum benefit to be paid, but you can use your own judgment in this matter."

Insurance Benefit

"It should be clearly understood that you cannot continue indefinitely to pay these benefits. If heavy unemployment should last for a long time, the fund

would soon be exhausted. We suggest, therefore, that you continue to pay the benefits for 15 weeks. You might add a week for every six-month period the worker had been employed. But to continue the payments much longer than 15 weeks would be dangerous and we believe it would be well not to try it. If, however, at the end of the benefit payments, your worker is still out of a job, the federal government will try to take care of him by giving him a job on one of the public works projects we are undertaking."

In the main, these are the main provisions of the unemployment insurance proposals contained in the Wagner-Lewis bill. Many details have of course been omitted, such as those dealing with the machinery which will have to be set up to handle this gigantic undertaking. They are relatively unimportant, however, compared with the broad plan for raising the money and the suggestions for making the benefit payments.

Now we come to the second important feature of the social insurance program of the Roosevelt administration. That is the question of old-age pensions. It is slightly more complicated than the unemployment insurance scheme because the federal government plans to establish three different systems in order to meet the present and future needs of the aged. We shall take up the outstanding features of each of the three divisions:

Old-Age Pensions

1. Immediate protection of needy persons of 65 years and over. The federal government fully realizes that there are to-

day many aged people who are unable to care for themselves and who must be cared for before a system of old-age insurance can be put into operation. This part of the old-age pension legislation calls for the payment of a monthly pension, not to exceed \$30, to all such persons. The federal government will match, dollar for dollar, the funds appropriated by the states for this purpose. It is understood that the states may give monthly pensions of more than \$30, but the federal government will contribute only \$15.

2. Compulsory contributory old-age insurance. This part will make up the foundations of the government's old-age pension system. It would insure every person now employed with a certain monthly income when he reaches the age of 65. The funds to make these payments would be raised somewhat similarly to those for the unemployment insurance fund. The essential difference, however, is that in this case the employee, as well as the employer, will have to pay into the fund. The bill provides that employer and employee shall pay in equal amounts, once the plan is put into operation.

If the plan now being considered is put into effect, all employers will have to pay a one-percent payroll tax beginning the first of January, 1937. Half of this tax, however, they can deduct from their employees' wages. That rate of taxation will remain in effect for five years. On the first of January, 1942, the tax will be increased to two percent, half of it coming from the employer and half from the employee. Five years later, and every five years, until it reaches five percent, the tax will be raised one percent. By the first of January, 1957, the full tax rate will be in effect, the employer paying two and a half percent and the employee two and a half per cent.

How Plan Works

In order that a person may receive benefits under this plan he must have complied with certain conditions clearly set forth in the bill. In the first place, he must be 65 years of age. In the second place, he must not be gainfully employed at that time. Thirdly, he must have made contributions for at least 200 weeks during the five-year period before he has reached the age of 65. He must have started the contributions before the age of 60. Since the plan will not be put in operation until 1937, no one will receive benefits, under this part of the old-age insurance program, until 1942.

How much a person will receive in monthly pensions after reaching the age



AMERICA COMES OF AGE
—Elderman in Washington Post

of 65 will depend upon the amount and number of contributions which he and his employer have made. Like those who buy insurance policies which provide for the payment of a definite amount of money annually after a number of years, those who contribute to this plan will receive definite amounts monthly. And, as the man whose insurance policy is for \$10,000 must pay higher rates each year than the man who holds a \$5,000 policy, and in return receives a larger amount when the policy matures, so the worker who contributes on a \$200-a-month salary pays more into the fund and receives more from the fund than the man whose salary is \$100 a month. When the plan is fully and permanently in operation the monthly payments will range from \$15 to \$60, depending entirely upon the size of the salary on which contributions have been made and the number of years they have been continued.

3. Voluntary old-age insurance. This part of the president's program is not compulsory, like the other two, and is designed primarily to meet the needs of those whose monthly income is \$250 or more. It should be pointed out that employees in this higher-income group are not covered by the second plan, neither they nor their employers being obliged to contribute.

The important thing to remember about both the compulsory and the voluntary plans is that they are to be operated along the lines of regular insurance. Contributions are made either by or in behalf of the beneficiary. At a given time, he is entitled to cash in on the payments he has made into the general fund. If he should die before he has received the full benefits, his dependents are to be paid the balance.

Other Measures

Old-age pensions and unemployment insurance are the outstanding feature of the president's security program. The third member of the social and economic security trio, health insurance, is not included in the president's plans for the present, although he has given indication that he favors such a plan and is working on various proposals to protect the American people against the hazards of illness, by enabling them to pay the expenses of medical care without too great a burden. Without going over to the health insurance idea at this time, however, the president did recommend certain measures designed to improve health conditions. For example, the Wagner-Lewis bill calls for an appropriation of \$25,000,000 of federal funds to relieve destitute mothers and dependent children. Another \$4,000,000 is asked for maternal and child health, and another \$3,000,000 to care for crippled children. Child welfare work is to be stimulated further by the appropriation of \$1,500,000 and the public health activities of the states stimulated by \$10,000,000 from the national government.



—Courtesy FERA

WORK AND SECURITY FOR ALL ARE THE AIMS OF THE ADMINISTRATION

The Internal Conflict in Japan

(Concluded from page 1)

was the direct descendant of these gods. It is likewise recounted that there are 800,000 other gods (among whom are numbered all past and future emperors) who are the protectors and defenders of Japan. Thus, according to tradition, Japan was founded by the gods and the Japanese are a chosen people beloved of the gods.*

Tradition of Origin

The important thing to be pointed out is that the Japanese still believe in this account of their origins. They are convinced today, as they have always been, that there is a supernatural power behind them, that whatever decisions they may make are inspired by the gods. Theirs is a nation of destiny. Theirs is a race above all races.

Contact with the divine beings is maintained in the person of the emperor. The Japanese worship their emperor, for to them he is a god. His will must be obeyed without question. He is above all governments. He is the guardian of the empire's boundaries and the Japanese people are his children. This attitude on the part of the people toward their emperor and the gods gives them certain peculiar characteristics which are not found everywhere. They look upon their future as having been decreed and planned beforehand. Once they are set upon a course of action which they believe to have been divinely ordered they will perish rather than turn back. Nothing ever deters them.

Now the Japanese are firmly convinced that it is their mission to lead the Asiatic races. They are of the opinion that they cannot fail in the fulfillment of this and that no nation or people can stand in their way. One Japanese newspaper, on a certain occasion, even went so far as to make this declaration: "We are firmly convinced that there will come a time in which all races and all nations of the world will look upon our Imperial House with the affection of love and devout veneration which we feel. We are Heaven favored."

But while few Japanese will deny their belief in a god-given mission, many of them will differ with respect to the manner in which that mission is to be carried out. Some of them favor one course of action, others another. In theory, final decision rests with the emperor, and the group which has the most influence over him can direct the policies of Japan. In order to see how this works out we must know something more about the structure of the Japanese government.

Structure of Government

As everyone knows, the development of modern government in Japan is of recent origin. For two and a half centuries prior to 1853 Japan slumbered in seclusion while other nations rushed ahead. Foreigners were not admitted to Japan, except for a few Dutch and Chinese traders, nor were the Japanese permitted to emigrate. This condition lasted until July 8, 1853, when Commodore Matthew C. Perry, commanding an American squadron, sailed to Japan and announced that she must have contact with the outside world. Japan awoke, as from a deep sleep. She realized that the only way to withstand pressure from other nations was to do as they were doing and modernize herself. She set about accomplishing

this with an energy which astonished the rest of the world. By 1895 she was able to fight and win a war with China, and by 1905 another one with Russia. These wars gave her a foothold on the Asiatic continent, and by the time of the World War she ranked among the foremost world powers.

Such rapid changes naturally brought changes in her government. Before 1853 the emperor remained aloof from government. As a divine being it was felt that he should not be primarily concerned with earthly matters. Principal authority rested in the hands of the Shogun, the most powerful feudal lord. The feudal system reigned supreme.

In 1868 a break was made from these traditions, when the emperor came out of his retirement and reasserted his right to rule. In 1889, a further break was made when the Emperor Meiji granted the people a constitution. It must be emphasized that he did this of his own free will and not because his people forced him to. He still retained his divine powers but chose to exercise them along more democratic lines.

Actual Powers

Actually, as we look at the constitution and the government a little more closely, we find little democracy. There is a Diet, or parliament, composed of two houses, but they function as hardly anything more than a debating society. The chief forces in Japan lie in the Privy Council, the ruler's chief advisory body of chosen men. If the Privy Council does not approve a bill it cannot be submitted to the Diet. If the cabinet of ministers is not suitable to the Privy Council it must resign. The authority of the emperor is behind the Privy Council and a mere parliament cannot assert itself against it.

There is, however, one element equal, if not greater, than the Privy Council. This is the Genro, which for many years was made up of the elder statesmen of Japan. These men formed a sort of inner council which was even closer to the emperor than is the Privy Council. The Genro, now, is reduced to a single survivor, Prince Saionji, the last of Japan's venerable statesmen. Whether the Genro will be continued after the death of Saionji is something which the emperor alone can decide.

It is thus apparent that the Diet must remain in a secondary position as long as the Privy Council and the Genro have such powers. Moreover, the Diet is further restricted by the fact that under the constitution it has no control whatever over the army and the navy. These branches of the government are responsible only to the emperor, through the Privy Council. They may set out on a

campaign without consulting the Diet or the cabinet. They decide upon their own financial needs and the Diet will hardly dare to refuse its approval. They are a very important political power in themselves.

From this brief description of the Japanese government we note that authority is distributed among certain groups. There is first the emperor, the seat of all power, then follow the Genro, the Privy Council, the military, the cabinet, and finally the Diet and the political parties. All these groups are united in believing in the divine destiny of Japan. But they are not always agreed as to how that destiny may be best attained. They have their particular ideas which flourish or languish in the degree to which they are able to influence the emperor.

For a long time there has been a conflict between two of these groups as to how progress should be made. The Diet and cabinet, which comprise "the politicians," felt that Japan would be wise to cooperate with other nations, to press forward gradually and win a position of predominance through a slow growth of influence and power. The leaders of this school of thought are known as the liberals.

Internal Controversy

Opposed to them are the militarists. They are of the opinion that forceful action is more desirable. For the most part they are scornful of parliamentary government and look upon the politicians as weaklings too ready to make concessions to other nations. They would like to do away with the Diet entirely and govern Japan on the basis of dictatorship.

There has been constant friction between these groups. At times the politicians have been able to keep the sympathy of the Privy Council, the Genro and, accordingly, the emperor. At other times the military have had their way. Until a few years ago the politicians seemed to be getting the better of their opponents.

During the war Japan had done a rushing business supplying goods to the nations more actively engaged in fighting. The nation was forging ahead rapidly. Democracy was becoming the leading system of



—Courtesy Red Star Line

FUJIYAMA—SACRED MOUNTAIN OF JAPAN

government and it looked as if Japan were going ahead along liberal principles.

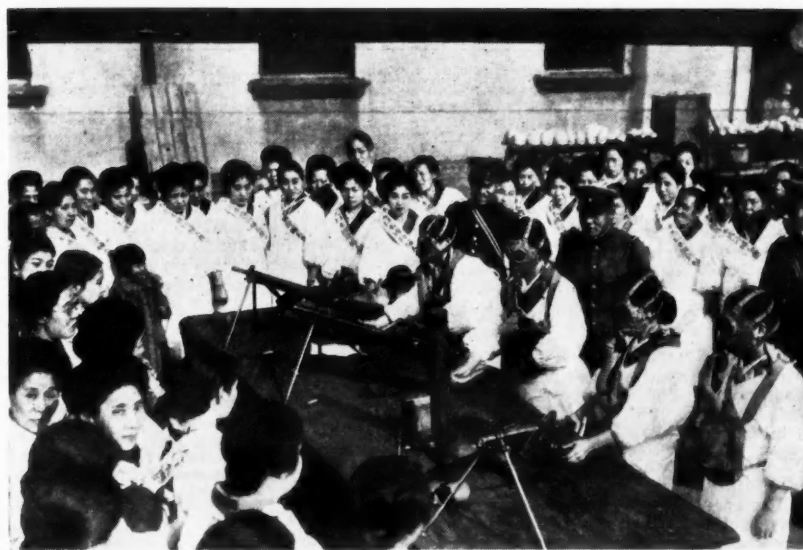
But after the war Japan, like other countries, entered a period of difficulty. She felt the same economic aches and pains which afflicted the rest of the world. This led many Japanese, principally the militarists, to feel that Japan had made a mistake to follow western practices too closely. They felt that it would be better to cease copying western civilization and develop their own ideas. At the same time they looked with alarm at Japan's growing economic and social problems. Industrialization had brought woes to the laborer, and the decline in the price of agricultural products destitution to the farmer. Discontent over economic conditions had made millions of Japanese more radically minded. Socialistic and communistic ideas began to be discussed. Riots and disturbances were on the increase.

The militarists became fearful of social revolution. They were convinced that Japan must seek salvation through expansion. They felt that if they could make certain of a reliable source of food and raw materials to care for the nation's crowded population, domestic troubles would be avoided. Unlike the politicians, they favored a policy of force which would have the advantage both of catering to the patriotism of the masses, thus distracting their attention from their own problems, and of achieving the desired ends quickly. They seem to have persuaded the higher powers that Japan was suffering in the hands of the liberals and that they should be given a freer reign. At any rate, it is a fact that in 1931 Japan began her campaign to acquire Manchuria—a campaign which in 1935 does not appear to have reached an end.

Where will the militarists lead Japan, if they continue in control? The question is pondered by many. Some think that Japan will not be satisfied with less than control of all China and India. Others see her pushing into Mongolia, extending her sway into the interior of China. Most seem to think that in the end a war with Russia, which resents her intrusion on the continent, is inevitable. If this war takes place and Japan wins, her ambitions may be realized. If she loses, her dream will fade.



© Acme
PRINCE
SAIONJI



© Wide World Photos

UNDER THE MILITARIST THUMB IN JAPAN

Japanese women are shown how to shoot machine guns while wearing gas masks.

*"Japan in Crisis." By Harry Emerson Wildes (Macmillan). This recent book is highly recommended to those who seek further information on Japan. Also recommended is "The Development of Japan." By Kenneth S. Latourette (Macmillan, 1926).



IT WOULD be an interesting thing if we could pick up one of the newspapers published 77 years ago, or, better still, if we could ourselves return to the last days of January, 1858, when the country was in the midst of one

Public psychology during panic of 1857

of the worst depressions in its history. The crash had come early the preceding fall. Stock prices had catapulted much the same as they did during those October days of 1929. Banks and businesses had been failing right and left all winter. General prices had fallen from the heights they had reached during the golden days of prosperity. Unemployment stalked the land, and, although only one-sixth of the population then lived in the cities, the suffering was acute. On the farms produce piled up and rotted. Building ceased. The national government was going heavily in debt because its principal source of income in those days, the protective tariff, failed to yield much revenue on account of the shrinking of imports. In a word, all the manifestations of depression with which we have become so familiar during the last six years were in abundance during those months and years following the panic of 1857.

An idea of the bitter pessimism and utter hopelessness of the period can be gathered if we turn to the periodicals of the day. The following quotation, taken from an article appearing in the October 10, 1857, issue of *Harper's Weekly*, is characteristic of the sort of thing people were talking and thinking about in that time of national crisis:

It is a gloomy moment in history. Not for many years—not in the lifetime of most men who read this paper—has there been so much grave and deep apprehension. In our own country there is universal commercial prostration and panic and thousands of our poorest fellow citizens are turned out against the approaching winter without employment.

In France the political caldron seethes and bubbles with uncertainty. Russia hangs as usual like a cloud dark and silent upon the horizon of Europe; while all the energies, resources and influences of the British Empire are sorely tried, and are yet to be tried more sorely, in coping with the vast and deadly Indian insurrection, and with disturbed relations in China.

Of our own troubles no man can see the end. If we are only to lose money and by painful poverty to be taught wisdom, no man need seriously despair. Yet the very haste to be rich, which is the occasion of this widespread calamity, has also tended to destroy the moral forces with which we are to resist and subdue the calamity.

IN MANY ways, the depression which followed the crash of August, 1857, resembles the period through which we are now passing. Both were ushered in on the wings of a speculative boom of gigantic proportions. Prices of both stocks and commodities soared to fantastic heights. The middle years of the 1850 decade, like those of the 1920's, were marked by a get-rich-quick philosophy among

How that crisis resembled present depression

the American people. Individuals and corporations gambled on the permanence of the prosperity then existing and on the future economic progress of the country. Both were periods in which credit was extended freely and far beyond the ability of the borrowers to repay unless prosperity continued or increased. But, in both cases, it took but a minor incident to demonstrate on what shaky foundations the prosperity of the preceding years had been built.

The Panic of 1857 and the Present Crisis

By David S. Muzzey and Paul D. Miller

If we are to compare the two periods, we must first focus our attention upon general conditions prevailing in 1857 and 1929. In both cases, the world had only recently emerged from a war of considerable proportions. While the Crimean War did not directly involve the United States, it was nevertheless a European war which tended to unbalance the economic set-up existing before that time. During that war, Russia and some of the other agricultural countries of Europe had been unable to supply all the demands for food. By 1857, however, Russia had reentered the market and American farmers found their exports of grain cut in half.

THE same thing happened after the World War. American agriculture had been geared up to the point of supplying not only our own national needs but the needs of a large part of Europe. When the countries which

The effect of the war upon our prosperity

had been forced to concentrate their entire energy upon winning the war returned to more normal conditions they not only ceased buying from us but themselves became competitors in markets which had formerly been ours. There can be no doubt about the relationship between this unbalance caused by war and the depression which followed in its wake.

If we turn from the international side of the picture to the internal situation, we find the similarity even more striking. In the years immediately preceding the two crashes there had been a terrific expansion of domestic industries. As we pointed out last week, the expansion of the railroads was something prodigious during the 50's. Most of the funds were raised by borrowing, so that future earnings became heavily mortgaged. It so happened that there was not enough railroad traffic to pay this indebtedness. Soon the railroad stocks declined in value on the stock exchange and then the railroad companies began to fail in rapid succession. Within 30 days, at one time during the depression, 14 of the important railroads went under. Casualties among banks, manufacturers, and other business institutions were equally heavy.

The manufacturers had made the same mistake that the railroads made. They went heavily in debt in order to enlarge their plants, believing that the opening of the West would greatly develop their trade and enable them to make more money. And the banks played their part, too, for they were sufficiently optimistic about the future of the country as to be unusually generous with their loans to finance all these operations. It was the same old story of acting on hope rather than sound judgment.

What happened in this country before the 1929 upheaval is too recent to demand detailed restatement. Businesses expanded rapidly, feeling that we had entered the new era of lasting prosperity. If we could not sell all our products here at home, we could sell them to foreigners. It made little difference whether people had the money to

buy this increased output; we could easily get around that by lending them the money, by selling on credit. At home we forced sales of all goods upward by selling on the installment plan. And to the foreigners we were very generous in lending them the money with which to buy our goods of one kind or another.

STATEMENTS made during the worst days of the 1857 depression might well have been made in the year 1935, so similar were they in general tone to the utterances and writings of the present. President Buchanan, for example, summed up economic conditions as follows in his annual message to Congress delivered in December, 1857: "Our country, in its monetary interests, is at the

Prophets of disaster appear in both cases

present moment in a deplorable condition. In the midst of unsurpassed plenty, . . . in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want."

It would be a mistake to assume that the two depressions were similar in every way. In many important respects they were not. For example, during the present crisis nearly all sections of the country have fared equally badly. The effects of the panic of 1857, on the other hand, were not felt so acutely in the South as elsewhere. The price of cotton held firm due to a healthy export market.

On the side of governmental activities, we find another striking dissimilarity between the two periods. As we have indicated, both depressions were marked by huge government deficits and a piling up of the national debt. But the Buchanan administration had absolutely no policy to deal with the depression except the devising of means to borrow money to defray the government's expenses. While it may be argued that during the early stages of the present depression the government pursued a policy of letting nature take its course, the Hoover administration did attempt to stave off disaster by certain important acts. Nothing like a Reconstruction Finance Corporation to prevent bankruptcy among banks and other financial institutions and railroads was even contemplated during the 1857 crisis, not to mention the scores of measures which the Roosevelt administration has adopted to cushion the effects of the depression and stimulate recovery.

FINALLY, there is the broader question as to whether fundamental conditions have changed so greatly as to make the present depression entirely different from anything we have ever had in the history of our country. Last

The question of fundamental economic change

week we called attention to one of these changes—population. There are many others which affect present conditions vitally, such as the dislocations which have been caused by the introduction of machinery enabling industry to produce much more with fewer workers. Even in times of prosperity, we have been unable to consume all the goods that industry is capable of producing and unless we can solve this problem we shall fall short of the economic progress and social security which should be possible in a nation with the wealth and resources of the United States.

Glimpses of the Past

Twenty-five Years Ago This Week

A bill is before the Senate to establish a post office banking system to be known as the postal savings. At first the measure was opposed by the insurgent senators, under the leadership of Senator Borah. They feared that it would mean competition for the little banks and benefits for the big banks, which would receive the deposits of the various post office branches. An amendment calling for a fair distribution of the deposits is expected to carry the bill through.

Paris is facing a major flood disaster due to the unprecedented rising of the Seine River. Many streets are bursting with the upward pressure of the water, while others are collapsing into the city's tunnels. The river's waters are actually flowing through the corridors of the City Hall, and the Louvre is threatened with inundation. More than 100,000 inhabitants have been made homeless.

Addressing the Japanese diet, Count Komura, Japan's minister of foreign affairs, refused to consent to Secretary of State Knox's proposal that Manchurian railways be made neutral property. The speech has caused a sensation in Japan and aroused some hostility. The mayor of Tokio criticized the count and declared that "it is the duty of the government to regard America as Japan's best friend."

At a meeting of the Kansas Society of New York, Henry J. Allen, a distinguished Kansan, declared that the Republican insurgent movement needs a Lincoln

and that in his state they know of one. "He is soon to start home from the wilds of Africa," added Mr. Allen, referring to former President Roosevelt, now on a hunting expedition in the African jungle. Mr. Allen declared that Taft could not carry a single township in all Kansas, and voiced the belief that the same was true all through the west.

Germany's ambassador to England delivered an address in London last week, on the occasion of the kaiser's birthday, in which he asserted that the Germans were a peace-loving people and that wars of aggression were far from their thoughts. He said her large foreign trade necessitated a bigger fleet to safeguard her interests at sea, but that neither her fleet nor her army threatened anyone.

Commander Robert E. Peary has suggested to the National Geographic Society that it cooperate with the Peary Arctic Club in fitting out an expedition to reach the South Pole.

Social Democrats in the German Reichstag demanded to know why Mr. Ramsay MacDonald was denied permission to speak in Kiel, Germany, a short while ago. A high official explained that in view of the general strike then going on in Sweden it was feared that Mr. MacDonald's speech might be the cause of demonstrations.